

Memorandum

TO: Governor's Task Force on Energy Efficiency and Renewables -
Renewables Workgroup and Stakeholders

FROM: Don Reck, co-chair
Michael Vickerman, co-chair

DATE: July 7, 2004

RE: Outcomes from 6-30-04 Meeting

Task Force Members Present:

Rep. Spencer Black
Charlie Higley, CUB
Don Reck, Xcel
Keith Reopelle, SELP
Brian Rude, DPC (by phone)
Michael Vickerman, RENEW

Staff Present:

Alex DePillis, DOA
Paul Helgeson, PSCW

Stakeholders Present:

Jeff Anthony, WE Energies
Rob Benninghof, WPS
Steve Bohlman, Alliant
Greg Bollom, MGE
David Donovan, Xcel
Phyllis Dube, WE Energies
Roger Kasper, DATCP
Sarah Ludtke, WPPI
Barb Nick, WPS
Ilze Rukis, WPS
Don Wichert, WECC

Meeting Outcomes

- Workgroup reviewed minutes and materials from June 8th meeting. Minutes were approved, and workgroup agreed the June 14th memo identifying areas of agreement accurately reflects the workgroup's discussion up to this point. Workgroup also reviewed upcoming dates, including July 9th deadline for workgroup recommendations and July 20th all day Task Force meeting.
- Workgroup reviewed outstanding issues, including WPS alternate proposal, language for implementation delays, appropriate target number and date. WPS presented an alternate proposal to accelerate renewable development needed to meet the current 2.2% RPS standard in order to decrease prices of existing Green Pricing programs and stimulate demand for renewable energy within the

marketplace. WPS agreed not to oppose the consensus of the workgroup and declined to comment on the individual elements described below due to the fact they are advocating for their alternative, demand-based proposal.

- We Energies pointed out that wind generation currently does not receive capacity accreditation in the MAIN reliability region, which has a significant impact on the financial viability of projects. The Group acknowledged that this is an important issue to pursue at the appropriate venues.
- Workgroup discussed outstanding issues in-depth, reaching convergence on the following:
 - Workgroup must agree on a full package that will likely include trade-offs for members of this workgroup as well as for members of the full Task Force. Without this agreement, the recommendation will not be valuable and will be subject to further trade-offs in the legislature.
 - Workgroup agreed to an incremental 6% increase in renewable energy from each electric provider by 2015. This includes a 2% increase by 2010 and an additional 4% increase by 2015. The increase is phased-in to allow for transmission infrastructure development. Xcel noted its continuing support for a flat 10% standard. SELP advocated for achieving the 10% incremental increase by 2012. Dairyland indicated its preference for a voluntary rather than mandatory 10% target.
 - Workgroup agreed that the new RPS should emerge as a defined avenue to meet the renewables portion of the Energy Priorities Law. This should be in statute, determined by the PSC, and should be coordinated with similar efforts on energy efficiency compliance.
 - Workgroup agreed language for implementation delays should be codified in statute; group agreed to language from May 25th memo entitled “Revised Criteria for Allowable Implementation Delays of the RES Requirement”.
 - RENEW presented a chart laying out an acquisition schedule to reach a 10% statewide average. Group agreed 2010 and 2015 are standards while interim percentages are goals to reach these standards.
 - Workgroup agreed transmission expansion is a necessary element to implementing the new RPS.
 - Workgroup agreed that when presenting these recommendations to the full Task Force, alternative positions and proposal should also be included in the discussion such as those from WPS, Xcel, and SELP.
- Workgroup reviewed comments from the Public Hearing held on June 15th. Suggestions related to a new RPS were encompassed in discussion above. Other suggestions the workgroup considered for further action include:
 - East Central Regional Planning Commission’s comments regarding wind siting; model wind ordinance will address some of the concern; workgroup suggests pursuing this issue with Senator Cowles in time for the next legislative session.

- Solar Mining Company's comments regarding solar thermal: workgroup agreed solar thermal could be an issue in future discussions for a regional renewable energy trading program. As solar thermal is not currently accepted in Wisconsin as an eligible resource, the workgroup viewed this issue as outside its scope.
- A citizen's suggestion regarding net metering: workgroup agreed net metering could be addressed in future PSC proceedings.
- A citizen's suggestion regarding the renewables tariff (renewable specific buyback rates): to some degree, this is being addressed utility by utility with renewable tariffs already offered.
- A citizen's suggestion regarding offshore wind farms: offshore proposals are developing on the East Coast; workgroup agreed Wisconsin should stay abreast of this market as it develops.

Action Items

- Michael Vickerman and Don Reck to prepare minutes and summary document to circulate to workgroup members in time for comment before July 9th deadline.